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Organizing the Shop for Production

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IT was made apparent during the war that labor has an unlimited capacity for team work in the attainment of worthy objectives. The fact that the workers have demonstrated their willingness to coöperate for the purpose of effecting more economical production, provided their interests are safeguarded, has never been questioned, but in organizing the human forces for production the point is always reached where it is agreed that production can be increased and savings in energy and material brought about through coöperation. It is at this point that the employees naturally raise the question as to the disposal of the savings which accrue as a result of closer coöperation. Their contention is that since coöperation is a thing that must be given of the employees' own volition they control the situation to that extent and they must have a very definite objective if they are to agree to enter into any proposition for increased production and they insist that this objective is the equitable division among capital, labor and the public, of the savings brought about through joint effort.

BASIS OF COÖPERATION

Labor recognizes that material progress is dependent on the advantage taken of every opportunity that tends to increase efficiency in industry, but it is also aware that increased efficiency in production of commodities is useless, if, instead of giving the consumer the benefit of the resultant savings (thereby augmenting the demand for the commodity) capital appropriates

the savings and increases its profits. However, once the question of division of the product of industry is fairly settled, the consciousness of antagonism, distrust and fear which exists between employer and employee will be dissipated to be replaced by mutual confidence and coöperation. This can be best accomplished by the establishment, through mutual agreement, of a basis on which to work, which will give just consideration to the rights of all parties at interest.

The first fundamental principle that must be recognized is labor's right to share in the control of industry by representation in proportion to its basic interest.

There was a period during the development of political democracy that being a property owner was one of the qualifications necessary to the securing of political representation, and in the industrial sphere today ownership alone entitles an individual to representation, even though it be admitted that labor and the public are vitally interested in the conduct of industry.

Limiting the voice of labor in the control of industry to matters of shop discipline, wages and hours (themselves mere incidents to decision of policy) will not effect full coöperation, for the method by which a business is conducted often automatically determines whether or not the undertaking can insure to the workers a proper standard of life and afford opportunities for development. Furthermore, unless the workers are given a share in the responsibility for carrying on industry, it is practically impossible for

them to consider questions of wages and hours in the broad practical sense. A full understanding of the economic position of the industry alone will enable them to form trustworthy judgments on such questions. Labor insists, and with justice, that it must be placed in a position of equality with capital before the possibility of partnership can be created.

METHODS OF SCIENTIFIC MANAGEMENT

Among many of the methods adopted by capital to bring about more economical production are labor saving machinery and so-called "scientific management." Both methods present unlimited vistas for service and abuse. They are used by employers and management to make capital yield a higher return. However, it is conceivable that these same methods, if properly applied and if the benefits that accrue equitably were divided among capital, labor and the public, would increase the utility of articles being manufactured, stabilize employment and offer greater opportunities to the public for consumption. Labor sees in labor-saving agencies and machinery factors vitally affecting its immediate employment. It is certainly not reasonable to expect labor to coöperate in carrying out a program that might bring into existence a growing class of unemployed, or coöperate in the administration and furtherance of a system that lessens the self-respect and undermines the independence of the worker by making his work more and more mechanical. This would result in the worker losing the opportunity of exercising his natural instincts for self-development by initiating action and doing creative work unless, through its position of joint control of industry, it is able to insure that when labor is displaced by the introduction of labor-saving methods or machinery, society

would carry this burden until labor could form new industrial connections. Then agreement can be reached concerning the rate at which new inventions are to be introduced and the conditions under which they are to be worked, as well as the disposition of the men, if any, who are displaced.

WORKER'S FITNESS TO MANAGE

Because the worker has had no experience in problems of finance or management does not signify that he is not rightly interested in such problems any more than because management has not had experience in actual production signifies that the management is uninterested in production. To establish coöperation, each of the parties to industry must be taken into the confidence of the other so that proposed changes can be sympathetically considered and their social and economic consequences properly weighed.

So long as the primary object of industrial undertakings is profit instead of service, so long as the power to establish policy is solely in the hands of those who wish to get as much out of labor and the community as is obtainable for as little as possible, there is no possibility of stopping the social waste caused by the strife and antagonism of our present industrial system.

The parties now unrepresented in industry are developing powers quite rapidly and are working into a position through organizations of producers where they can effectively demand that their rights be recognized, all of which indicates that a people intellectually free will not submit to economic slavery.

The parties to industry which have representation do not avail themselves of this representation to work on a partnership basis with the end in view of promoting the common interest, but each party speaks in terms of its

power to injure the other, thereby also injuring the community.

The legal control which is now vested in the employers through ownership should be considered in the light of a legal power held in trust to be administered to the best interests of the community. It naturally follows that none of the parties contributing or interested in the successful conduct of industry should be deprived of a means of safeguarding their inherent rights.

It is of no avail to call attention to the legal rights of the parties now in control of industry, for no matter what their position is before a law that holds property rights above human rights, labor and the community are not without rights in equity based on justice and good faith. The solution of our industrial problem, therefore, seems to be a recognition of the equitable rights of all parties at interest.

That is why joint control of or democracy in industry as a fundamental principle underlying government in industry is absolutely necessary before the common interests of all can be emphasized and common aims made clear to the end that the feeling of suspicion, antagonism, coercion and fear gives way to one of confidence.

This is not an attempt to draft a constitution for the government of industry—for all forms of government are secondary, the all important things are attitude and spirit and the application of right principles which always effect right relations—nor is it a detailed plan of organization for workers' representation in the management of industry; it is simply an attempt to point out the benefits that accrue from the extension of the principles of democracy to industry.

EFFECT OF COÖPERATION

The effect of coöperation between capital and labor on increased quantity

and quality of service to society cannot be overestimated, nor can its power to remove the evils which promote strife and consequent waste in our industrial organization be ignored. Coöperation is the password which opens the door to unlimited, future economic and human development.

The ultimate measure placed on any shop organization is economical production. The effecting of full, intelligent coöperation by giving the worker a real interest in his work is brought about when he is a part of and partner in the undertaking.

When the workers are represented in management and function with the management on such matters as employment, promotion, demotion, discharge, finance, distribution, compilation of estimates and production methods in the shop, the workers will discover that there are hundreds of problems involved in manufacturing of which they were not aware and with which they are not equipped to deal. The realization of their lack of technical knowledge and special training will spur them to take up special lines of study on their own account. This genuine industrial education is one of the most valuable features, and, when combined with the economic incentive which a partnership involves, places the worker in a position where it is to his advantage to stop waste in material and energy, as well as releases latent resources of human energy and ingenuousness. The workers will have confidence in what is going on because they are in on the "know," they will commence to breath freely and act enthusiastically because of a clear understanding that their interests are the common interests.

Representation of the workers in management will eliminate unfair privilege or advantage and incompetent or selfish control by the employer, and

establish the principle of collective bargaining through representatives of their own choosing by employer and employee alike. No longer will the higher development of the worker be sacrificed for immediate gain to the employer or community, but the great-

er ultimate good to the nation as a whole will accrue by developing the individual to the highest possible standard.

Of what avail is freedom of thought or speech to a people unless they control the shaping of their own destiny?